

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

MAURICE KANBAR and KANBAR  
SPIRITS, INC,

No C 07-2123 VRW

ORDER

Plaintiffs,

v

HENRY KAUFMAN,

Defendant.

\_\_\_\_\_ /

Maurice Kanbar and Kanbar Spirits, Inc ("KSI") brought this action, alleging negligence and breach of fiduciary duty by Henry Kaufman in Kaufman's handling of various of Kanbar's investments. Doc #39 at 1. This case was tried before the court without a jury on August 18 and 19, 2008. Doc ##81-82.

On October 22, 2008, the court issued its findings of fact and conclusions of law. Doc #86. The court determined that

1 Kaufman breached his fiduciary duty of candor to plaintiffs by  
2 making an interest-free loan of \$250,000 to John Snyder without  
3 first informing Kanbar. Id at 36 ¶120.

4 To calculate damages for the breach, the court ordered  
5 plaintiffs and Kaufman to submit evidence of the term of the loan  
6 and a reasonable interest rate for the loan. Id at 41 ¶138. In  
7 response, the parties stipulated that the loan was disbursed on  
8 December 15, 2005 and remained outstanding for 226 days. Doc #87  
9 at 2. Plaintiffs first asserted that the Snyder loan should bear  
10 an interest rate of eight percent and in no case less than seven  
11 percent. Doc #88 at 2. Kaufman initially proposed an interest  
12 rate of 5.7 percent, Doc #89 at 3, but in a later filing proposed a  
13 rate of 7.25 percent, the prime rate in December 2005. Doc #92 at  
14 1. Plaintiffs then agreed to Kaufman's proposed 7.25 percent  
15 interest rate. Doc #93 at 2.

16 Using annual compounding, this implies daily interest of  
17 \$49.6575 over the term of the loan ( $\$250,000 \times 0.0725 / 365$ ).  
18 Accordingly, plaintiffs are entitled to damages of \$11,222.60 for  
19 breach by Kaufman of the fiduciary duty of candor ( $\$49.6575 \times 226$ ).

20 The clerk is ORDERED to enter judgment forthwith and to  
21 close the file.

22  
23 IT IS SO ORDERED.

24  
25 

26 VAUGHN R WALKER  
27 United States District Chief Judge  
28